Regulation 39-22-528. Agricultural Value-Added Cash Fund Credit.

- 1) The credit for approved payments to the Colorado Agricultural Value-Added Cash Fund is available only in those tax years in which state revenues exceed limitations on state fiscal year spending by amounts established in 39-22-528(6), C.R.S. In October or November of each year, the State will certify whether there are sufficient excess revenues to make this credit available. See Regulation 39-22-120 for years in which the credit is available.
- 2) When allowed, the credit is up to 100% of the payment to the Board. The maximum credit allowed per tax year is \$50,000 for a taxpayer filing as married filing separately, or \$100,000 for a taxpayer filing single or married joint return or for an entire controlled group of corporations as defined in Internal Revenue Code Section 1563(a). The total credits authorized by the Colorado Agricultural Value-Added Development Board each fiscal year for this credit and the credit under 39-22-527 shall not exceed \$4,000,000.
- 3) Entities electing pass through status for federal income tax purposes are limited to \$100,000 per year in total credit passed through to all investors subject to income tax, which must be shared on the same basis as profits and losses.
- 4) Qualified Subchapter "S" Subsidiaries (QSSS), parent corporations thereof and all limited liability companies related by at least eighty percent ownership are limited to a maximum credit of \$100,000 for all such related corporations or limited liability companies in total.
- 5) Certification forms issued annually by the Colorado Agricultural Value-Added Development Board must be attached to the income tax return for each year the credit is claimed.
- 6) If the amount of the tax credit certified by the Colorado Agricultural Value-Added Development Board exceeds the amount of income tax otherwise due on the taxpayer's income in the income tax year, the amount of the credit not used as and offset against income tax shall be refunded to the taxpayer and may not be carried forward.